

Statement by Congressman Pete Stark Introducing the Save Our Climate Act

Wednesday, 25 April 2007

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April 26th, 2007

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This past Sunday, we celebrated Earth Day. Today, in Earth Day's honor, I propose the Save Our Climate Act. The first Earth Day in 1970 led to new laws to improve air and water quality, and was an important impetus for the creation of the Environmental Protection Agency. On Earth Day 2007, climate change is the preeminent environmental concern. I hope 2007 will be remembered as the year we addressed global warming by passing the Save Our Climate Act.

Climate change is a worldwide problem requiring each nation to do its part. The International Panel on Climate Change – 600 of the world's leading scientists – suggests that temperatures may increase three to seven degrees Fahrenheit in the next century. Al Gore's "Inconvenient Truth" may have seemed like a scare tactic, but if we don't wake up to the realities presented in his documentary, we will soon wake up to flooded coastlines, unfarmable plains, and species extinction.

To date, the United States has failed to take necessary steps to reduce greenhouse gas emissions. Though the US emits approximately six billion metric tons of carbon dioxide (CO₂) each year -- comprising nearly 24% of the world's total emissions -- we have failed to ratify the Kyoto Protocol. If we continue our refusal to act, we cannot expect other countries to do their part.

The vast majority of environmentalists and climate change experts agree that we need to reduce CO₂ emissions by 80 percent by the year 2050 in order to stop the current pace of climate change. Every year we delay enacting legislation to slow climate change makes it that much more difficult to stop global warming.

Economists widely agree that a carbon tax is the best way to reduce carbon dioxide emissions and save our planet from catastrophic climate change. The Save Our Climate Act is just that, a simple tax on fossil fuels that will decrease emissions and create immediate incentives for green energy.

Under this legislation, carbon based fuels – coal, petroleum and natural gas – will be taxed at a rate of \$10 per ton of carbon content. That means coal, which has higher carbon content than natural gas will be taxed at a higher rate. This tax structure promotes the use of less carbon intensive fossil fuels and creates an incentive to use other non-carbon-based fuels.

The tax will increase by \$10 per ton of carbon every year, making it less affordable to burn fossil fuels as time goes on. When the US reduces its CO₂ emissions by 80 percent, the tax will be frozen at that level. The Save Our Climate Act will generate a small energy price increase each year, equal to about 2 cents per gallon of gas annually. As the tax rate increases, fossil fuel prices will increase, producers will have an incentive to invest in cleaner alternative energies, and those alternative energy sources will become more competitive.

While economists agree that a carbon tax is the best way to reduce CO₂ emissions, few agree on what to do with the revenues raised from the tax. The Save Our Climate Act does not prescribe how we should spend carbon tax revenue, but recognizes the many competing interests for this revenue. Low and middle-income consumers who may face modestly higher energy prices under this system could receive some of the revenue in the form of reduced income taxes or increased tax deductions or credits. We could also spend the money on alternative energy sources, health care, education, or a myriad other domestic environmental and social priorities.

The Save Our Climate Act is a simple solution to a very difficult problem. Some have suggested a system of CO₂ emission caps and a market to buy and sell emissions credits, often referred to as "cap and trade." I worry that industry will thwart any attempt to set a real emissions cap. I also worry about the bureaucratic costs of effectively enforcing such a system. In contrast, a carbon tax is easy to administer and reduces CO₂ emissions by raising the price of fossil fuels,

thereby reducing demand for those fuels. It's Economics 101, but unlike most school lectures, this econ lesson could save our planet.

Global climate change is too important for us to continue our inaction because of industry stakeholders or the worry over political consequences of raising taxes. A carbon tax is the best way to address the problem of global warming. I urge all my colleagues to do what's right for our country and the world by supporting the Save Our Climate Act.